GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:791
ANSWERED ON:26.02.2001
VOLUNTARILY RETIREMENT SCHEME
MADHAVRAO SCINDIA;RENUKA CHOWDHURY

Will the Minister of LABOUR be pleased to state:

(a) whether the retired employees who resigned under voluntarily retirement scheme entitled for pension under Employees Pension Scheme 1995 are getting a minimum pension of Rs.265 p.m.;

(b) if so, whether this pension is also not linked with dearness relief based on Cost of Living Index as it is in the case of other Government Pensioners;

(c) whether there is a pressing demand for increase in the pension under Employees Pension Fund and for linking it with Cost of Living Index like the dearness relief payable to other Government employees; and

(d) if so, the Government`s decision in this regard?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI MUNI LALL)

(a) to (d): Under the Employees` Pension Scheme, 1995,pension is worked out on the basis of basic pay and D.A. both. As such, to begin with, the Pension sanctioned under the EPS includes an element ofD.A. too. The amount of pension under the Employees` Pension Scheme is determined keeping in view the length of contributory service rendered by the employees including beneficiaries of VRS under the scheme subject to a minimum of Rs. 265/- per month. Under the Scheme, there is a provision for valuation of Pension Fund and review of pensionary benefits on an annual basis. Accordingly, on completion of the first annual valuation, relief of 4% on pension in payment was sanctioned to the beneficiaries w.e.f. 16.11.1996. On completion of second annual valuation, additional relief of 5.5 percent was sanctioned to the pensioners w.e.f. 01.04.1998. The Employees Pension Scheme, is a contributory scheme with limited resources. Therefore, it is not considered desirable to burden the scheme with unlimited liability which is likely to arise by linking the pension under the EPS with the consumer price index.